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NEWS LETTER

Published quarterly by the San Bernardino County Economic Development Department to chronicle events and activities relating to the purposeful economic development of San Bernardino County and its Communities.

VOL. XIII, NO. 4 **3rd QUARTER, 1978**

Richton Sportswear, Inc. breaks ground in Montclair's Conrock Development for a 100,000 square foot distribution center. Supervisor Robert O. Townsend (left with shovel) and Mayor Harold Hayes (right) welcome Richton President, Carrol "Bud" Robinson. County Economic Development Commissioner Mary Parente is next to Townsend.

Richton Sportswear Expands in Montclair

A $2 million expansion of Richton Sportswear, Inc., a men and boys' beachwear manufacturer was announced November 2 by the company's president, Carroll "Bud" Robinson.

The company is moving its distribution center, now located in Pomona, to a new 100,000 square-foot building at the corner of Central Avenue and Arrow Highway in Montclair.

San Bernardino County Supervisor Robert O. Townsend headed a delegation of county officials for the groundbreaking ceremony.

The county's Economic Development Department, together with the city of Montclair and its Chamber of Commerce, have worked with company officials for several months in search of a location for the larger quarters.

The company manufactures men and boys' T-shirts and beachwear under the "Hang Ten" and "Golden Breed" trade names.

About 125 semi-skilled persons will be employed on a fulltime basis with up to 200 persons working at seasonal peaks, said the plant's Director of Distribution George Powell.

The Pomona warehouse will be phased out, he said.

The company's executive staff, now located in Ontario, will also be moved into the new building.

The manufacturing plant in Ontario, which has 150 employees, will continue

(Continued on Page 4)

K-Mart to Build 1-Million Square Foot Center in Ontario

K-Mart has announced plans to build a massive distribution center to exceed one million square feet. The building, to be the County's largest, will have 25 acres of floor space under one roof. The estimated cost for construction and equipment has not been announced.

The facility will be located on a 97 acre site, southeast of the San Bernardino and Devore freeways. The site is part of the 320 acres designated by the city of Ontario as a redevelopment area for industry.

A spokesman for K-Mart mentioned central location and availability of 97 acres as important factors in choice of the site.

The Center will provide case-packed merchandise to 250 K-Mart stores in the western United States. Operations are scheduled to start in 1980, when the facility will be locally staffed by an undetermined number of employees.

The case-packed merchandise will be delivered to and distributed from the Center by Southern Pacific Railroad and by truck, using the two major access freeways. The Ontario International Airport is also readily available for special shipments and business travel.

Mayor Robert Ellingwood said that offsite improvements estimated at $2.3 million will be jointly financed through a City bond issue and the Southern Pacific Industrial Development Company. K-Mart acquired the site from the development company.

Recovery of city financing, according to Mayor Ellingwood, will be paid off through property tax revenues generated by an increase in value of the area by the K-Mart Center and yet to be announced industries. The development company will recoup their investment through revenues of their parent company, the Southern Pacific Railroad.

K-Mart's future plans for potential expansion provide for an additional 850,000 square feet.

HALLMARK—SOUTHWEST CORPORATION BEGINS $9-MILLION EXPANSION

Hallmark — Southwest Corporation, a manufacturer of mobile homes and a newcomer to Loma Linda, are beginning a $9 million expansion to extend over the next 5 to 7 years.

To accommodate the expansion, Hallmark recently acquired a 62.0 acre site in the 317 acre State College Industrial Park from the San Bernardino City Redevelopment Agency. This is the largest project to date, approved by RDA.

Charles R. Brammer, president of Hallmark, states that construction on the site is to be completed in six phases. He adds that "on completion, the firm plans to have 750,000 square feet under roof and an eventual payroll of 1300 to 1400 employees." Construction of the first of nine buildings is scheduled to commence in November 1978 for April or May 1979 occupancy.

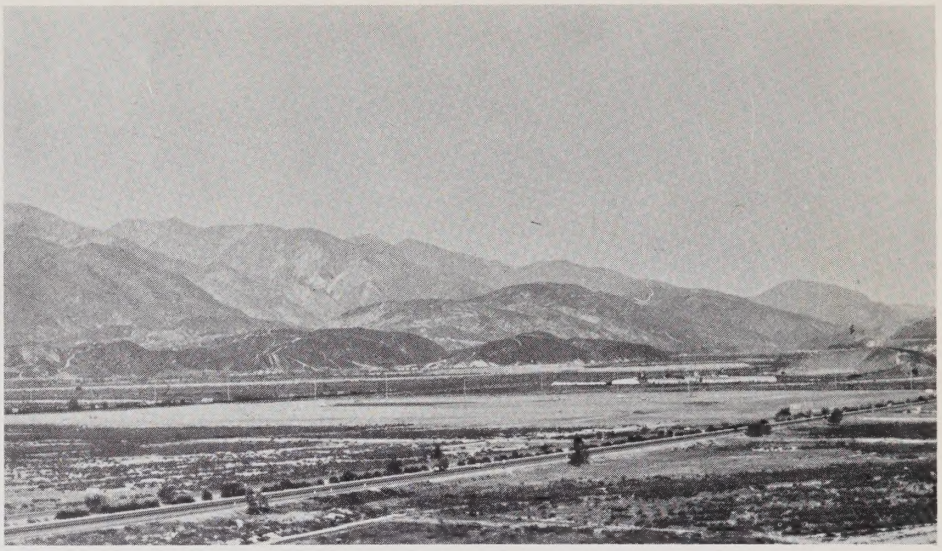
A unique feature of the plant's facilities is that each of its manufacturing units will have the design capability of producing either mobile homes or factory built modular homes.

Hallmark has experienced success in manufacturing and marketing mobile homes. The firm moved into their new location at 25525 Redlands Blvd., Loma Linda in early 1977. Shipment of mobile homes began in April 1977. At that time gross sales were forecast at $2.5 million for the first year of full production. Six months later the forecast was revised upward to $4 to $5 million. Later, Mr. Brammer announced at their annual meeting, "Thanks to public acceptance, we closed our first year of sales at just over $7.5 million."

Top management of Hallmark attribute their success to "excellence of product" achieved through the "team concept." The "team concept" includes their executives, employees and suppliers. About one-fourth of their 200 plus employees at the Loma Linda plant own stock in Hallmark. One dealer sold over $1 million, and a sales woman for the dealer sold $550,000 worth of mobile homes during the first year.

The executives of Hallmark also pin their future on "excellence of product" through the "team concept" and the manufacturing and marketing of mobile homes as well as factory built modular homes for residential lots. They believe that factory built homes, rather than site construction, is one solution to providing homes families can afford.

In line with this reasoning, Hallmark has constructed a 1,536 square foot prototype factory built modular house. The house was designed to meet FHA loan requirements and the California Factory Built Housing Act for placement on residential lots.



SAN BERNARDINO STATE COLLEGE INDUSTRIAL PARK . . . Site preparation has been completed on 62 acres for Hallmark Southwest Corporation. Grading will start soon on TreeSweet's 30 acres and other sites. The park is served by both the Santa Fe and Union Pacific.

At current prices, Hallmark executives believe the 1,536 square feet house could sell for $40,000 to $44,000 including the lot. A comparable house on an identical lot would sell for an estimated $60,000 to $63,000. Marketing of the modular homes will be through developers who prepare the site and build the foundation.

The modular sections will be delivered to the site on truck towed trailers. At the site the modular sections will be placed on the foundation and joined together. The interior of the house is complete including built-in appliances, carpeting, drapes, doors and cabinetry. Exteriors will be lathed for the application of siding the developer or home buyer wants.

Many materials will arrive at the plant via rail spur served by Union Pacific and Santa Fe.

Hallmark plans to continue operating the Loma Linda plant along with the new plant.

In addition to President Brammer, officers of Hallmark include Louis A. Bradvica, Vice President, and Charles W. King, Secretary and Treasurer. Other management members include Chuck Schwartzenberg, Marketing Director, John Norton, Supplier Relations and Allen McKellibs, Engineering. All have extensive backgrounds in mobile homes, manufacturing and engineering.

House Construction Innovations

"Construct better mousetraps, cheaper and faster, and the public will beat a path to your door." This modification of the often repeated cliche on a better mousetrap expresses what some of our area builders are experiencing.

Certain area builders, prompted by high construction cost, have sought new techniques, methods and approaches in their quest to reduce cost. Probably no other area in the country have builders been more innovative or successful in reducing housing costs. Among these are Covington Bros., Savell Homes, Hallmark-Southwest Corporation, Affordable Homes, Inc., and Remic Industries, Inc. The last three are undergoing major expansion and are featured in articles in this issue.

Remic Industries, Inc. Constructing Plant In San Bernardino

Remic Industries, Inc., builders of mobile and factory built homes, are to relocate from their plant in Chino to San Bernardino's Southeast Industrial Park.

Foundations have been completed at the park for three plant buildings totaling 73,500 square feet. Frank Goodie, president of Remic, says that their total investment in land, plant and equipment in San Bernardino should approximate $1 million.

A target date of February 1, 1979, has been set for moving from Chino into the new San Bernardino facility. Mr. Goodie anticipates 120 employees initally, and increasing to 300 in 18 months.

Remic's mobile and factory built homes range from 1,000 square feet to 2,000 square feet in size. Units up to 1,440 square feet are delivered to location site in two sections by truck-towed trailers. Units over 1,440 square feet are delivered in three sections.

At the site, the sections are slid onto a prepared foundation or are lifted onto the foundation by crane.

Remic's factory built homes are available in a wide election of conventional roofing. Interior walls are dry wall or plywood paneling, depending on buyer desire. Exterior walls are finished 5/8 plywood.

Currently, Remic delivers mobile or factory built homes all over the State of California, and in New Mexico and Arizona.

Mr. Goodie anticipates that their factory built homes will be available to a buyer at 20% to 26% below that available in the comparable conventional built home.

Their factory built homes are marketed primarily through developers. Their mobile homes are marketed through a network of dealers to individual buyers.

For professional site selection assistance:

County Economic
Development Department
(714) 383-2913

The former Lockheed Propulsion Laboratories in Redlands have been transformed into a ready-made industrial park by Seven W Enterprises, Inc. 155,000 square feet of office and industrial space are still available. Contact John Creatura, (714) 825-2091. The facility is approximately 10 minutes from I-10 freeway. Story on page 4 →

Affordable Homes of Apple Valley Now in Production

Affordable Homes Company, a new industry in Apple Valley is engaged in the prefabrication and subassembly of single and multiple unit family housing. The company is a joint venture between Wickes Corporation, an international organization engaged in retailing and wholesaling lumber and building supplies, and Watts Industries, a large builder of single and multiple family homes.

The name "Affordable Homes" denotes the company's objective to reduce appreciably the costs of home construction over conventional cost. Charles T. Sparks, affiliated with Wickes Corporation and spokesman for Affordable Homes, says reduced costs are possible through the use of newly developed manufacturing and site assembly processes and systems.

The newly developed technique of manufacturing, and site assembly processes and systems, is referred to as componentized housing. Their concept of componentized housing was developed through the combined efforts of the joint venture organizations use of available experience and skills.

Affordable Homes currently has 55 employees and occupies 50,000 square feet of plant space at 13510 Central Road in Apple Valley. Future plans for expansion call for 150 to 200 employees within three years, and increasing the under roof plant space to 75,000 square feet.

The plant displays the latest equipment and innovations in fast assembly of house building components. The layout of equipment is designed for simplicity of operation and the even flow of subassembly components to transporting ramps. Transporting subassembly components to the construction site will be by truck or a combination of rail and truck. Plans are to make deliveries up to a 200 mile radius of Apple Valley.

Hi Valley Enterprises of Victorville are currently constructing 26 three and four bedroom Affordable Homes in their Valley Hi North Track. Ray Boone, president of Hi Valley Enterprises says that each house has two baths and an attached two car garage situated on an approximate quarter acre plot. The homes are from 1,176 to 1,388 square feet, and sell for $41,995 to $43,995. This price includes air conditioning and carpeting, installed.

Both Ray Boone of Hi Valley Enterprises and Charles Sparks of Affordable Homes are confident that Affordable Homes will carve and maintain a niche in the area housing market.

They state their optimistic projection is based on the construction of quality homes at affordable price. They add that quality is assured through the preselection of lumber and strict quality control performed during subassembly of components in the plant, rather than during construction on the site.

SEVEN W ENTERPRISES DEVELOPING REDLANDS INDUSTRIAL PARK

Seven W. Enterprises, Inc., home based in Illinois, and engaged in ranching and industrial projects, acquired 66 acres of the former Lockheed Propulsion plant from Lockheed and the City of Redlands in May 1978. The numerous buildings of the plant exceed 270,000 square feet of office, laboratory, manufacturing and storage space.

Since acquiring the plant with the assistance of John Creatura, a member of the County Economic Development Commission, an energetic program has ensued to convert the plant into an industrial park.

Highland Supply Corporation, a subsidiary of Seven W Enterprises, now occupy eight buildings exceeding 70,000 square feet. They manufacture artificial grass, ink, and foil for the florist industry, and have 50 employees.

Four other small manufacturers have leased five buildings, totaling 45,000 sq. ft. They manufacture garments, electrical parts, custom golf equipment, and prefabricated walls. They have a total of 88 employees.

Mr. Creatura is optimistic about the prospects for leasing a large part of the remaining 155,000 square feet in the immediate and near future.

GAF TO BUILD IN FONTANA

GAF, the nation's largest manufacturer of asphalt roofing, has announced plans for expansion to the West Coast, with a 90,000 square foot building in Fontana's Southwest Industrial Park. The facility will be located on 21 acres, at a cost of $4 million.

GAF's western customers are currently served by plants in Dallas, Denver and Kansas.

The new facility will employ in excess of 100 non-skilled or semi-skilled workers. Construction is scheduled to begin in March, with production likely in late summer.

Richton . . .

(Continued from Page 1)

in that location, Powell said.

The new building, on a 10-acre site will provide room for expansion within three to five years.

The contractor is Murray Construction Company of La Verne. The engineer-designer is Kurt Salmon Assoc. of Atlanta, Georgia.

Nothing could stop Chinook International, Inc. from being the first tenant to open its doors in Fontana's Southwest Industrial Park. Production has started in the 108,000 sq. ft. building above, even though the adjoining street is still under construction. GAF will soon break ground on 21 acres, partly seen in the left foreground.

Chinook Projects 10,000 RVs in First Year

Chinook International, Inc., a national manufacturer of fiberglass recreational vehicles, has moved plant equipment into their new 108,000 square foot building in Fontana's Southwest Industrial Park. In addition to the 6 acres on which the building is situated, Chinook owns 4 additional acres for parking and storage.

The large building, modernized and equipped for RV manufacturing, was built to Chinook's specifications by Rudy Terrazzas, an area builder and developer. The facility now houses new manufacturing equipment and equipment moved from Chinook plants in the cities of La Verne and Yakima, Washington. Their current work force of 300 employees is expected to increase to 400 after six months.

Locating in Fontana will provide Chinook some realistic advantages. Among these are the economics of consolidation of operations; an improved RV manufacturing capability, and a major advantage of better transportation. The latter is available through converging rail systems and freeways serving continental U. S. and parts of Canada.

The company's officers include Vice President of Finance and Operations Ed Clairmont and Vice President of Marketing Norm Giesseman.

Mayor Frank Horzen of Fontana said that, according to a company spokesman, scouts for Chinook searched for nine months for a location near Los Angeles. They made their selection within nine days after visiting Fontana and talking with members of the Fontana Marketing Group.

County Supervisor Chairman Robert O. Townsend, who along with Supervisor Joseph Kamansky officially welcomed Chinook to Fontana said "that kind of swift agreement is becoming typical."

Mr. Terry Southard, Marketing Communications Manager for Chinook, says Chinook has invested $2 million in the Fontana facility. Expectations are that 10,000 RVs will be manufactured at the facility over the next 12 months.

Raw materials consisting of Ford, Dodge, Datsun, and Toyota light truck chassis arrive principally by Union Pacific rail spur extended to the plant by Upland Industries Corporation. Raw fabricating materials arrive by rail and truck. Shipment of the RVs to the market will be by rail and truck-a-way.

Mr. Southard says the company will continue the manufacture of fiberglass fuel economy RVs to meet current demands. Future plans are to stress the fuel economy factor so their RVs will serve the dual purpose of a motor home and a second family car.

INDUSTRIAL PARKS AT A GLANCE

(All parks served by at least one railroad unless noted as non-rail.)

Chino	— Large fully improved M-2 zone; two light parks under construction, over 50% committed.
Ontario	— K-Mart takes first 97 of 320 acre park.
Montclair	— Richton Sportswear Inc. (Hang Ten) anchors new Conrock development.
Rancho Cucamonga	— Large M-2 area; a few large parcels (100 + acres) still available.
Fontana	— GAF most recent addition leaves 30 acres available in park's first phase.
Rialto	— New park near airport, joint venture between the City and private developer. Non-rail.
Colton	— Modern 50,000 square foot building and 160 acres plus, available.
San Bernardino State College	— Hallmark's 62 and TreeSweet's 30 acres, leaves 185 available.
San Bernardino Southeast	— First phase almost full.
Redlands	— 115,000 square feet occupied leaving available 155,000 square feet of office and industrial space. Large parcels available.
Adelanto	— Large M-2 zone, all utilities, city water, non-rail.
Apple Valley	— Sites adjacent to modern airport; well water; non-rail.
Barstow	— Individual sites available. Key distribution area.
Hesperia	— Light industrial park, build to suit, water.
Victorville	— New light park being developed. Large M-2 zone requires well water.
Yucca Valley	— Sites available, stable work force, non-rail.

COLTON'S RANCHO MEDITERRANIA

Colton's Rancho Mediterrania has a 50,000 square foot industrial building under construction in its 165 acre light multipurpose industrial park. The first 12,500 square feet will be ready for occupancy in 30 days.

The Rancho, situated on 535 acres on the old Cooley ranch, is truly a unique development. In addition to the 165 acre light industrial park, the area accommodates a diversified residential development, a commercial office center, and a high fashion center along with streams, parks and trails. On completion the Rancho will be a complete community center.

The Rancho's uniqueness is eye appeal and functionality. The eye appeal is achieved through architectural design and heavy landscaping. All buildings conform to the mediterranean theme. Streams and fountains will be abundant in each section of the Rancho.

The multipurpose industrial park is highly functional and ideally located. It is in the center of the Riverside-San Bernardino-Ontario market, the nation's 28th largest metroplitan area. There are over a half-million people within 10 miles. The park is on a six lane road that connects with two major freeways, each within two miles.

Charles Morton Newsletter Editor

New staff member Charles Morton assumes the responsibility of editor of Newsletter beginning with this issue. He functions on the staff as specialist in research and publicity.

Morton has previously served as an administrative assistant in the District Attorney's office, and in various positions in the County's Personnel Division.

After several months without publication, Newsletter will continue to chronicle industrial development in San Bernardino County.

INDUSTRY DIRECTORY

A directory listing San Bernardino County manufacturing, processing and fabricating industries is available from the County's Economic Development Department.

Each industry's name, product or service, location, phone number and approximate number of employees is listed.

The directory is available for $3.50 plus 21 cents tax at the Economic Development Department, 175 W. 5th Street, First Floor, San Bernardino, 92415. Prepaid mail orders will also be accepted.

RIALTO WELCOMES NAPPE-BABCOCK

A vinyl materials manufacturing plant, employing semi-skilled workers is scheduled to open November 15 in Rialto, San Bernardino County Supervisor Robert O. Townsend announced.

Nappe-Babcock, a division of Dart Industries, will take over 80 percent of a 25,000 square foot building at 1426 So. Weldon Avenue. The building has been occupied by Beauty Craft, a sink manufacturer which will remain at its present location, using the smaller portion of the building.

The company manufactures insulated vinyl picnic coolers, hassocks and bean bags.

Nappe-Babcock's General Manager, Michael Case, said the company has been formed through a recent merger of Babcock-Phillips and Nappe-Smith. Both are divisions of Dart Industries.

Case said the company will close its Vernon plant and move all its machinery to the Rialto facility.

Case said he has been looking from Oxnard to Hemet for a larger facility since last February.

Case credited the county's Economic Development Department for its assistance in finding the Rialto location.

"They (the Economic Development Department staff) have been very helpful in providing information on the labor pool and facilities," he said.

About 10 to 12 workers will be hired initially with another dozen added later. Case said the company hopes to have about 40 persons employed by June of 1979.

County Manpower Specialist Added to EDD Staff

In an agreement between the County Departments of Manpower Services and Economic Development, a new program is underway to administer manpower training agreements with new industries as they locate in San Bernardino County. The thrust of the new effort is to see that new jobs generated by EDD in the County are in fact made available first to unemployed residents.

Roger Myers, a job training specialist with the Manpower Services Department, is now stationed in the Economic Development office. The personnel needs of new industries are assessed while the firm is in the location phase. Those companies desiring to participate in employee training agreements can commence interviews at a date in keeping with their start-up schedule.

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MUCH NEEDED LIGHT PARK FOR VICTORVILLE

Plans for a 34 acre light industrial park were announced recently in the City of Victorville. The modern, master-planned facility, known as Victorville Industrial Park, will be located on Mariposa Road alongside Interstate 15, one half mile south of the Palmdale Road interchange.

Flexibility is a key factor in the planning and execution of what will be the most modern business complex on the high desert.

Detailed plans filed with the City indicate that the project will offer building space for office, commercial, and light manufacturing facilities. Full landscaping and parking will be developed and a two-story garden office building situated near Mariposa Road will be prime features of the project.

"We are proud to bring this much needed development to Victorville," stated Jerry L. Pollack, A. I. A., managing partner of the development and an architect/developer based in West Los Angeles. "The phenomenal growth of the high desert population and economy in the past few years justifies this large scale effort to bring new industry and jobs to this area. We want to be part of that positive growth."

Joining Pollack and Harry Cohen of Victorville in the development are Emmett Watts, Southern California investor/developer, and Robert Dempsey, a successful Orange County Broker/Developer.

Federal and state officials recently toured the desert cities of Adelanto, Victorville and Barstow to acquaint themselves with projects proposed for federal assistance. In photo, EDD Director Frank Coony describes a proposed project in an area zoned for heavy manufacturing in the city of Adelanto. At left, Randy Owyang, of the State Office of Local Business Development, Wilfred Marshall and Ron Carrigan of the Regional Office of the Economic Development Administration, Department of Commerce.

Elaine Marable Photo

Chino's Three Light Industrial Parks Underway

The first phase of 11 small industrial units in the Chino light industrial park, at the corner of Schaefer and Monte Vista, will be ready for occupancy by January 1. Units range from 4,000 sq. ft. to 12,000 sq. ft. and are available for sale or lease. Sales prices are from $30 to $34 per foot. Maintenance will be by owner's association.

Phase two will begin immediately after phase one is complete. The second phase will include 15 buildings, totaling approximately 125,000 sq. ft. Shaw, Talbot and Caldwell are developers on the site. Maury Panga of Associated Industrial Properties is handling sales and leasing.

Two additional light industrial parks are either underway or planned for the Chino area.

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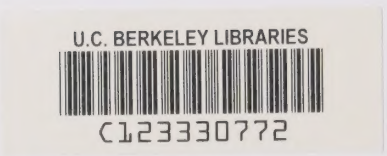

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